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FM AMCONSUL SAO PAULO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5090
INFO RUEHBR/AMEMBASSY BRASILIA 6229
RUEHRG/AMCONSUL RECIFE 2934
RUEHRI/AMCONSUL RIO DE JANEIRO 7119
RUEHAC/AMEMBASSY ASUNCION 2584
RUEHBU/AMEMBASSY BUENOS AIRES 2257
RUEHMN/AMEMBASSY MONTEVIDEO 1992
RUEHLP/AMEMBASSY LA PAZ 2812
RUEHSG/AMEMBASSY SANTIAGO 1721
RHEHNSC/NSC WASHDC
RUEAIIA/CIA WASHDC
RUMIAAA/USCINCSO MIAMI FL
RUEAWJC/DEPT OF JUSTICE WASHDC
RUEABND/DRUG ENFORCEMENT ADMIN HQ WASHDC

UNCLAS SECTION 01 OF 04 SAO PAULO 000551

SIPDIS

DEPARTMENT FOR DS/IP/WHA, DS/ICI/PII, DS/DSS/OSAC, WHA/BSC
NSC FOR CRONIN
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SENSITIVE
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E.O. 12958: N/A
TAGS: [PGOV](#) [PHUM](#) [KCRM](#) [CASC](#) [SOCI](#) [SNAR](#) [ASEC](#) [BR](#)
SUBJECT: SAO PAULO POLICE STRIKE BACK

REF: (A) Sao Paulo 532; (B) Sao Paulo 526; (C) Sao Paulo 319; (D)

Sao Paulo4 2; (E) 05 Sao Paulo 975

SENSITIVE BUT UNCLASSIFIED - PLEASE PROTECT ACCORDINGLY.

11. (SBU) SUMMARY: In reaction to a wave of violence orchestrated by the organized crime gang First Capital Command (PCC) which left over 100 persons dead including over 40 law enforcement officers, Sao Paulo police stepped up patrols and checkpoints on Tuesday and Wednesday (May 16-17) in certain areas of the metropolitan area. The sweeps resulted in the deaths of nearly 40 suspected PCC members, and the arrests of up to a dozen others. PCC elements, in turn, launched several new attacks (of lower intensity in comparison to recent events) on the night of Wednesday, May 17, burning eight buses across Sao Paulo state and tossing Molotov cocktails at police stations and schools. No new police deaths have been reported. Meanwhile, a contract audio engineer working for the national legislature admitted to selling to the PCC recordings of secret testimony by high-ranking Sao Paulo police officials that outlined the State's plan to transfer incarcerated PCC leaders to more isolated facilities with higher levels of security. In large part those transfers sparked the wave of violence that began on Friday, May 12, and lasted four days. The PCC's known lawyers are also under fire for allegedly facilitating the corruption and aiding and abetting the gang's criminal activities. State government officials are moving ahead with plans to block cellular telephone traffic near some prisons to weaken the PCC's capacity to mobilize and run illegal operations from the prison system, but prison workers are threatening a strike over pay, which could weaken an already precarious security situation. (NOTE: We have new information that the American Citizen prisoner reported in refs A and B was not, in fact, incarcerated at the time of the riots, but rather, had been released in March, with notice reaching the Consulate only yesterday. END NOTE.) END SUMMARY.

POLICE PERSERVERANCE AND PAYBACK

¶2. (SBU) As normalcy returned to Sao Paulo after a four-day wave of violence perpetrated by the organized crime gang PCC mostly against public security personnel and public buses (refs A-B), the Sao Paulo police regrouped, redeployed, and tried to regain control over areas of the cities most affected by the violence. Over a twelve-hour period between Tuesday afternoon and Wednesday early morning, the police reportedly arrested 24 persons and killed another 33 suspected of involvement in the weekend attacks. Overnight Wednesday, approximately eight more suspects were killed in several attacks against police positions in the northern, southern and eastern zones of Sao Paulo's metropolitan area. On Wednesday night, the Band News television news service calculated that one suspect had been killed every two hours by police over a two-day period since the PCC halted most of its attacks on the evening of Monday, May 15. State officials say they are trying to dismantle the PCC by searching for persons suspected of participation in the weekend attacks at checkpoints and barricades.

¶3. (SBU) In the northwestern suburb of Osasco, for example, police were seen searching motorists at several checkpoints Tuesday and Wednesday, with particular attention paid to drivers and passengers of the ubiquitous small motorcycles that buzz in and out of traffic lanes throughout greater Sao Paulo. (NOTE: Known as "motoboy," these cycle drivers provide much-needed courier services in the sprawling city where gridlock is a common and daily curse. But the cycles are also used by criminals to rob drivers and passengers of vehicles stuck in traffic, and police say that several officers killed in Osasco were the targets of assassins riding with motoboys. END NOTE.) Subsequently, on Wednesday night, several armed individuals presumed to be associated with the PCC attacked a police station in Osasco, and at least one of the attackers was shot and killed by police. Four other attacks on police stations throughout greater Sao Paulo were reported Wednesday night, but no officers

SAO PAULO 00000551 002 OF 004

appear to have been killed.

¶4. (U) Likewise, five buses were set on fire Wednesday night in two areas within metropolitan Sao Paulo's northern and southern zones. The two companies operating those lines took their remaining buses off the road overnight, but transportation appeared to be running normally for the Thursday morning commute. Another two or three buses were reportedly torched overnight Wednesday in outlying cities within the state of Sao Paulo.

¶5. (SBU) Human rights groups have begun to seek more details from the state government regarding the names and circumstances of suspects killed by police since the wave of violence began last Friday (May 12), and especially in the last few days after the supposed truce was called (ref. B). While the state government has released the names of law enforcement personnel killed during this period, it has said almost nothing about the circumstances surrounding the deaths of suspects, other than to give aggregate statistics of those detained and of those killed. The overall death toll of suspects at the hands of police since last Friday is hovering between 90 and 100. (NOTE: There are also reports of another approximately 150 deaths associated with battles between PCC factions. END NOTE.) Some police sources have told RSO that officers are acting within the bounds of the law, albeit perhaps with a more aggressive posture in the context of the casualties inflicted on their colleagues. Other police officers have suggested that a certain amount of retribution upon known PCC members could and should be expected. (NOTE: An uncorroborated report is circulating that police have murdered family members of at least one gang leader in an act of pure revenge, an accusation the police deny. If proven true, such an escalation of the current stand-off would almost certainly result in bloody retaliation by the PCC, and could truly spin the situation out of control. END NOTE.)

CORRUPTION, COLLUSION AND CALL-WAITING

¶6. (U) The circumstances leading to the current conflagration in Sao Paulo are becoming clearer, as new evidence is uncovered regarding

various players in this all too real Brazilian drama. Specifically, on May 17, an audio technician who worked as a contract employee for the national house of the federal Congress, the Chamber of Deputies, admitted in public hearings that he had sold copies of recordings to the PCC that contained secret police testimony to a Parliamentary Investigative Committee (CPI) on arms trafficking outlining the planned transfer of PCC leaders to more secure prison facilities in an attempt to weaken the gang's organizational structure.

¶7. (U) The recordings were apparently made on Wednesday, May 10, when two high-ranking Sao Paulo police officials testified regarding the planned prison transfers at a closed meeting of a congressional commission on arms trafficking. The technician said he burned two CDs containing the testimony, and, for 200 Reals (less than USD 100), handed them over to two of the PCC's known lawyers in a Brasilia shopping mall. It is believed that the lawyers then gave the CDs to the PCC leadership or played the contents for the gang's leaders over the telephone. On May 11, Sao Paulo prison officials transferred 765 suspected PCC members to isolated and more secure prison facilities in rural Sao Paulo state. But police immediately suspected that the PCC's reputed leader, Marcos Willians Herba Camacho, or "Marcola" (see ref B), knew of the transfers in advance, which appears to have been true. On Friday, May 12, he was transferred to facilities of the Anti-Organized Crime Unit (DEIC) of the Sao Paulo Military Police (PM) in the Santana district of northern Sao Paulo for questioning. After violence obviously orchestrated by the PCC broke out later that night, he was transferred on Saturday to the maximum security prison at Presidente Bernardes in the far western part of the state. The police and organs of Congress are investigating the technician's actions and those of the two attorneys accused of paying for the CDs and passing the privileged information to the PCC.

SAO PAULO 00000551 003 OF 004

¶8. (SBU) At the same time, more attention is being paid to the allegation that the Sao Paulo State Government cut a deal with the PCC to end the attacks that have killed almost 150 people and brought much of Sao Paulo to a standstill on Monday afternoon (refs A-B). While now admitting they had met with the PCC's lawyers on Sunday, May 14, and allowed the lawyers to see Marcola even though he was under special guard with no visitation privileges, State government officials (including Governor Claudio Lembo) continue to deny that they negotiated with the gang for peace (ref A). Many in Brazil are skeptical, given the fact that the attacks and associated prison riots stopped rather suddenly on Monday. Furthermore, television sets purchased by unknown parties have been delivered and set up in various prisons, and the color of prisoner uniforms has been changed - two conditions set out by Marcola during his first meeting with government officials last Friday. Nonetheless, President Lula's point man on the crime wave, Minister for Institutional Relations Tarso Genro, has backed off his earlier criticism of Sao Paulo leaders (who belong to opposition parties) and said on Thursday that he believes no one in government made any deal with leaders of the organized crime ring. More government investigations may take place on this issue, but in yet another bizarre twist, it appears Marcola himself has denied making a deal with government officials.

¶9. (U) On Wednesday evening, TV Bandeirantes ran a segment that purported to be a recorded interview with Marcola via cellular telephone from prison. The segment showed a reporter conducting the interview in a sound booth by holding a cell phone to a microphone. During the interview, the man on the cell phone purporting to be Marcola admitted that he had planned and ordered over 100 attacks to begin last Friday, May 12, with the intention of calling attention to the plight and conditions of prisoners in the Sao Paulo penitentiary system. He said that he did not order the killing of any police officers - claiming the murders were the acts of opportunists -- but that future actions may be forthcoming because the police are not willing to resolve their disputes with the PCC without resorting to brutality.

¶10. (SBU) Sao Paulo Governor Lembo called for an investigation to authenticate the voice in the interview. If the interview proves real, even more embarrassment will be heaped on the Sao Paulo prison

system, because Marcola is currently in the Presidente Bernardes prison facility, which, until now, has been thought to be the most secure facility in Brazil and impenetrable to cellular phone transmissions. A state judge has meanwhile ordered the National Telecommunications Agency (Anatel) to suspend all cellular telephone transmissions for a period of 20 days in areas near six of Sao Paulo state's 144 prisons, in an attempt to curtail the planning and execution of criminal acts by incarcerated PCC leaders.

WHO'S TO BLAME?

¶11. (U) In an opinion poll released by Datafolha on Wednesday, May 17, 55 percent of Sao Paulo residents said the criminal justice system was at fault for the current crisis, while 39 percent blamed President Lula, 37 percent blamed former Sao Paulo governor and current presidential candidate Geraldo Alckmin, and 30 percent placed blame with current governor Claudio Lembo. 65 percent of those interviewed said they believed the government negotiated for peace with the PCC, but only 21 percent of those thought such a course of action was proper. Only 17 percent felt that President Lula has made significant strides to combat crime, while 46 percent said that the president has not made an effort at all. In reaction to the violence in Sao Paulo, the national Senate passed a package of 11 crime bills, including measures to hold prisoners liable for damage to prison facilities, restrictions on cell phone usage, and a requirement for lawyers to be searched before meeting with inmates.

¶12. (U) For his part, in an interview with the newspaper Folha de SAO PAULO 00000551 004 OF 004

Sao Paulo, conservative Sao Paulo Governor Claudio Lembo called upon the "white elite" to change their attitudes toward social welfare. He said the "bourgeoisie" needed to open its pocketbooks and offer more education, jobs, and solidarity to the Brazilian "misery class" before there can be any meaningful reduction in crime. He shrugged off comments made by his predecessor, current presidential candidate Geraldo Alckmin, which suggested Alckmin would have accepted federal assistance during the weekend crime wave. Lembo said that had Alckmin still been in office, he would have done what he thought was best, and that is what Lembo did when he declined the federal government's offer to send more armed personnel to Sao Paul state to help quell the violence. Lembo was more pointed in reacting to comments attributed to former president Fernando Henrique Cardoso that the Lembo administration was wrong if it made deals with the PCC. Lembo said that Cardoso should have remained silent on a subject so sensitive and important about which he had no personal knowledge.

COMMENT: SAO PAULO CONTINUES DAY BY DAY, NIGHT BY NIGHT

¶13. (SBU) Sao Paulo is operating normally day-to-day, but the nights are not yet in anyone's control. Wednesday night's clashes and criminal acts appeared sporadic and almost random, and were certainly not as well-orchestrated as those of the weekend. Some of the actions may have been residual, carried out by local PCC factions continuing the fight in their own neighborhoods, and some of them may have been opportunistic, conducted by unrelated criminal elements taking advantage of the sometimes chaotic situation. The efforts to block cell phone transmissions may serve to undercut PCC operations in the short term, but there are reports that the gang is already using hand-held radios to overcome this barrier. Further, a prison employees union in Sao Paulo is threatening a strike over pay and personal safety issues, making it even less likely that Paulistanos will feel comfortable - at least at the level prior to May 12 - with their city's security situation any time soon. END COMMENT.

¶14. (U) This cable was coordinated with Embassy Brasilia.

WOLFE